

**CITY OF GORHAM, KANSAS**

**FINANCIAL STATEMENT AND INDEPENDENT AUDITORS' REPORT**  
**For the Year Ended December 31, 2012**

**CITY OF GORHAM, KANSAS**

**For the Year Ended December 31, 2012**

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# GUDENKAUF & MALONE, INC.

## Shareholder

Pamela Gudenkauf, CPA

Certified Public Accountants  
639 Main Street, P.O. Box 631  
Russell, Kansas 67665  
(785) 483-6220, Fax (785) 483-6221  
email: accountants@gmbinc.net

## Shareholder

James Malone, CPA

### **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Council  
City of Gorham, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Gorham, Kansas, a municipality, as of and for the year ended December 31, 2012, and the related notes to the financial statement.

#### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* (KMAAG) as described in Note A to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the applicable audit requirements of the (KMAAG). Those standards and the KMAAG require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note A of the financial statement, the financial statement is prepared by the City of Gorham, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United State of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Gorham, Kansas as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Gorham, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the KMAAG described in Note A.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2012 basic financial statement, however are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 supplementary information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note A.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2011 basic financial statement upon which we rendered an unqualified opinion dated November 6, 2012. The 2011 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/maniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note A.

Gudenkauf & Malone, Inc.  
December 3, 2013

## CITY OF GORHAM, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
Regulatory Basis  
For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Statement I Ending Cash Balance
GENERAL FUND	\$ 34,332	-	\$ 122,897	\$ 135,718	\$ 11,591	\$ 3,170	\$ 14,561
SPECIAL PURPOSE FUNDS							
City County Highway Fund	12,181	-	15,640	19,847	5,974	5,000	10,974
Personal Benefits Fund	12,929	-	14,760	5,217	22,472	-	22,472
Total Special Purpose Funds	25,110	-	28,400	25,064	28,446	5,000	33,446
BOND AND INTEREST FUND							
Bond and Interest Fund	1,285	-	42,182	31,080	12,387	-	12,387
BUSINESS FUNDS							
Sewer Fund	115,318	-	28,723	38,917	107,124	108	107,229
Water Fund	31,011	-	104,923	95,702	40,229	5,407	45,636
Solid Waste Fund	7,056	-	32,295	34,148	5,701	2,840	8,541
Total Business Funds	153,385	-	166,435	168,767	153,054	8,355	161,409
Total Reporting Entry (Excluding Agency Funds)	\$ 234,982	\$ -	\$ 359,875	\$ 358,629	\$ 265,178	\$ 16,525	\$ 221,802
Composition of Cash:							
					Cash in Bank, Gorham State Assoc: 700002	\$	81,703
					Cash on Hand		100
					Certificates of Deposit		140,000
					Total Reporting Entry	\$	221,803

The notes to the financial statement are an integral part of this statement.

**CITY OF GORHAM, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**Year Ended December 31, 2012**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Municipal Financial Reporting Entity**

The City of Gorham, located in Russell County, Kansas, is governed under the Mayor-Council form of government. Gorham provides the following services: general government administration, water, sewer, and refuse services.

**Regulatory Basis Fund Types**

**General Fund** - The chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Fund** - Used to account for the proceeds of specific tax levies and other specific revenue source (other than capital project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest Fund** - Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Capital Project Fund** - Used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business Fund** - Financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

**Trust Fund** - Used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

**Agency Fund** - Used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.)

**Basis of Accounting**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.*

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

**CITY OF GORHAM, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**Year Ended December 31, 2012**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Reimbursements**

A reimbursement is an expenditure initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the City of Gorham records an expenditure in the reimbursing fund, and a reduction of expenditure in the reimbursed fund, following the authoritative guidance of the *Governmental Accounting, Auditing and Financial Reporting*.

**Property Taxes**

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on property on November 1 of each year. The taxes are due one-half on December 20th and one-half the following May 10th. Any taxes unpaid at the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current operation of the City and therefore are not susceptible to accrual.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statement taken as a whole.

**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.



**CITY OF CORHAM, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**Year Ended December 31, 2012**

**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED**

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds and trust funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Compliance with Kansas Statute

K.S.A. 79-2935 requires expenditures shall not exceed the total amount of the adopted budget of expenditures for any fund for the budget year. The City County Highway Fund spent \$3,740 more than the adopted budget of expenditures.

**NOTE C - DEPOSITS & INVESTMENTS**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods". All deposits were legally secured at December 31, 2012.



**CITY OF GORHAM, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**Year Ended December 31, 2012**

**NOTE C - DEPOSITS & INVESTMENTS - CONTINUED**

At December 31, 2012, the City's carrying value of deposits was \$221,803 and the bank balance was \$222,199. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$222,199 was covered by federal depository insurance.

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**NOTE D - INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Sewer Fund	Bond and Interest Fund	KSA 12-825d	\$ 14,000
Water Fund	Bond and Interest Fund	KSA 12-825d	6,900
General Fund	City County Highway Fund	KSA 12-1,119	5,000

**NOTE E - COMPENSATED ABSENCES**

After an initial ninety-day waiting period, full time employees shall earn 4 hours of sick leave for each full month of service. No employee may accrue more than 360 hours of sick leave.

Persons employed for 40 hours or more per week and after being employed continuously for one year, shall be entitled to one week (5 days) of paid vacation. Persons employed continuously by the City for 3 years or more will be entitled to 2 weeks (10 days) of paid vacation.

During 2012, no employees were eligible for paid time off.

**NOTE F - CLAIMS AND JUDGEMENTS**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2013, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

**CITY OF GORHAM, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**Year Ended December 31, 2012**

**NOTE G - RELATED PARTY TRANSACTIONS**

In a governmental entity, related parties include members of the governing body, board members, administrative officials, and immediate families of administrative officials, board members, and members of the governing body. Required disclosures on related party transactions do not include compensation arrangements, expense allowance and similar items incurred in the ordinary course of operations. The following are not required to be reported, but are presented for information only.

	2012
Gorham Telephone	\$2,163
Craig Rohleder, mayor, wife is an employee	
Amber Washburn, clerk, husband is an employee	
Insurance Planning Inc	7,551
Susan Unrein, interim treasurer, is an employee	
Nextech	885
Dru Miller, council member, is an employee	

**NOTE H - LONG-TERM DEBT**

Changes in long-term liabilities for the City of Gorham for the year ended December 31, 2012 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
KDHE Loan	2.58%	10/4/03	\$188,202	9/1/2030	\$178,818	\$0	\$7,399	\$171,419	\$4,566
G.O. Bonds	3.50%	1/20/10	270,000	9/1/2012	30,000	0	30,000	0	1,080
Total Long-Term Debt					\$208,818	\$0	\$37,399	\$171,419	\$5,646

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2030	Total
PRINCIPAL									
KDHE Loan	\$7,391	\$7,788	\$7,991	\$8,199	\$8,411	\$15,447	\$51,662	\$34,330	\$171,418
INTEREST									
KDHE Loan	4,374	4,177	3,974	3,767	3,554	14,379	8,164	1,567	43,956
Total Long-Term Debt	\$11,965	\$11,965	\$11,965	\$11,965	\$11,965	\$29,826	\$59,826	\$35,897	\$215,374

**NOTE I - SUBSEQUENT EVENTS**

In October 2013, the City of Gorham applied for a Community Development Block Grant (CDBG) in the amount of \$191,984 for the purpose of street repairs. The total project cost is estimated to be \$388,969. If the City is awarded the grant, they will be responsible for the difference of \$196,985 and will issue bonds in the amount of \$189,985 to obtain a majority of their funding. The State of Kansas will award CDBG funding in

**CITY OF GORHAM, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**Year Ended December 31, 2012**

**NOTE 1 - SUBSEQUENT EVENTS - CONTINUED**

January 2014 at the earliest. Work would begin in August 2014 and be completed by November 2014. If funding is delayed, work would begin in May 2015 and be completed by August 2015.

Management has evaluated the effects on the financial statement of subsequent events occurring through December 3, 2013 which is the date at which the financial statement was available to be issued.

CITY OF GORHAM, KANSAS  
REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED  
DECEMBER 31, 2012

**CITY OF GORHAM, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**

Regulatory Basis  
(Budgeted Funds Only)

For the Year Ended December 31, 2012

**Schedule 1**

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
GENERAL FUND	\$ 139,700	\$ -	\$ 139,700	\$ 135,718	\$ (3,982)
SPECIAL PURPOSE FUNDS					
City County Highway Fund	16,107	-	16,107	19,847	3,740
Personal Benefits Fund	14,400	-	14,400	5,217	(9,183)
BOND AND INTEREST FUND					
Bond and Interest Fund	43,658	-	43,658	31,080	(12,578)
BUSINESS FUNDS					
Sewer Fund	117,027	-	117,027	36,917	(80,110)
Water Fund	141,282	-	141,282	95,702	(45,580)
Solid Waste Fund	<u>27,500</u>	<u>-</u>	<u>27,500</u>	<u>34,148</u>	<u>(3,552)</u>
Total	<u>\$ 509,674</u>	<u>\$ -</u>	<u>\$ 509,674</u>	<u>\$ 358,629</u>	<u>\$ (151,045)</u>

**CITY OF GORHAM, KANSAS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

**GENERAL FUND**

Schedule 2-1

		2012		Variance Over (Under)
	2011 Actual	Actual	Budget	
Cash Receipts				
Ad valorem tax	\$ 48,308	\$ 46,199	\$ 43,439	\$ 2,760
Delinquent tax	451	1,869	-	1,869
Motor vehicle tax	9,901	10,992	10,326	666
Liquor tax	871	129	2,000	(1,871)
Franchise tax	9,990	10,700	11,000	(300)
Sales use tax	48,288	48,365	45,000	3,365
Licenses & permits	832	778	900	(122)
Leases & rent	1,375	1,500	2,000	(500)
Miscellaneous	2,834	1,881	207	1,674
Interest	<u>501</u>	<u>394</u>	<u>250</u>	<u>144</u>
Total Cash Receipts	<u>123,351</u>	<u>122,807</u>	<u>\$ 115,122</u>	<u>\$ 7,685</u>
Expenditures				
Personal services	39,224	38,585	42,000	(3,415)
Contractual	49,488	31,983	45,000	(13,017)
Commodities	6,050	6,686	20,000	(13,314)
Maintenance/Parts	8,722	16,264	-	16,264
Capital outlay	4,846	37,200	32,700	4,500
Transfer out	<u>7,277</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>115,607</u>	<u>135,718</u>	<u>\$ 139,700</u>	<u>\$ (3,982)</u>
Receipts over (under) expenditures	7,744	(12,911)		
Unencumbered cash, beginning	16,490	24,302		
Prior Year Cancelled Encumbrance	68	-		
Unencumbered cash, ending	<u>\$ 24,302</u>	<u>\$ 11,391</u>		



**CITY OF GORHAM, KANSAS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

**CITY COUNTY HIGHWAY FUND**

Schedule 2-2

		<u>2012</u>		Variance Over (Under)
	2011 Actual	Actual	Budget	
Cash Receipts				
State of Kansas Gas Tax	\$ 8,534	\$ 8,640	\$ 10,000	\$ (1,360)
Transfer In	<u>7,277</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Cash Receipts	<u>15,811</u>	<u>13,640</u>	<u>\$ 10,000</u>	<u>\$ 3,640</u>
Expenditures				
Street Repair	<u>7,736</u>	<u>19,847</u>	<u>16,107</u>	<u>3,740</u>
Total Expenditures	<u>7,736</u>	<u>19,847</u>	<u>\$ 16,107</u>	<u>\$ 3,740</u>
Receipts over (under) expenditures	8,075	(6,207)		
Unencumbered cash, beginning	<u>4,106</u>	<u>12,181</u>		
Unencumbered cash, ending	<u>\$ 12,181</u>	<u>\$ 5,974</u>		

**CITY OF GORHAM, KANSAS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

**PERSONAL BENEFITS FUND**

Schedule 2-3

		<u>2012</u>		
	2011 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Ad valorem tax	\$ 10,873	\$ 11,771	\$ 12,076	(305)
Delinquent tax	93	413	-	413
Motor vehicle tax	<u>2,225</u>	<u>2,576</u>	<u>2,324</u>	<u>252</u>
Total Cash Receipts	13,191	<u>14,760</u>	<u>\$ 14,400</u>	<u>\$ 360</u>
Expenditures				
Payroll Taxes	4,957	3,300	7,900	(4,600)
Insurance	<u>5,500</u>	<u>1,917</u>	<u>6,500</u>	<u>(4,583)</u>
Total Expenditures	10,457	<u>5,217</u>	<u>\$ 14,400</u>	<u>\$ (9,183)</u>
Receipts over (under) expenditures	2,734	9,543		
Unencumbered cash, beginning	<u>10,195</u>	<u>12,929</u>		
Unencumbered cash, ending	<u>\$ 12,929</u>	<u>\$ 22,472</u>		

**CITY OF GORHAM, KANSAS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

**BOND AND INTEREST FUND**

Schedule 2-4

		2012		Variance Over (Under)
	2011 Actual	Actual	Budget	
Cash Receipts				
Ad valorem tax	\$ 13,611	\$ 17,395	\$ 17,847	\$ (452)
Delinquent tax	142	587	-	587
Motor vehicle tax	3,231	3,300	2,910	390
Transfer from water utility	6,900	6,900	6,900	-
Transfer from sewer utility	<u>1,600</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Total Cash Receipts	<u>25,484</u>	<u>42,182</u>	<u>41,657</u>	<u>525</u>
Expenditures				
Principal	25,000	30,000	38,446	(8,446)
Interest	<u>1,955</u>	<u>1,080</u>	5,212	(4,132)
Total Expenditures	<u>26,955</u>	<u>31,080</u>	<u>\$ 43,658</u>	<u>\$ (12,578)</u>
Receipts over (under) expenditures	(1,471)	11,102		
Unencumbered cash, beginning	<u>2,756</u>	<u>1,285</u>		
Unencumbered cash, ending	<u>\$ 1,285</u>	<u>\$ 12,387</u>		

**CITY OF GORHAM, KANSAS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**For the Year Ended December 31, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)**

**SEWER FUND**

**Schedule 2-5**

		<u>2012</u>		Variance Over (Under)
	2011 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Customer charges	\$ 29,518	\$ 28,720	\$ 45,000	\$ (16,280)
Grant receipts	<u>39,714</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Cash Receipts	 <u>69,232</u>	 <u>28,720</u>	 <u>\$ 45,000</u>	 <u>\$ (16,280)</u>
 Expenditures				
Operations	7,385	5,570	103,027	(97,437)
Wages	6,365	5,382	-	5,382
Transfer to bond and interest fund	1,600	14,000	14,000	-
Principal payments	9,384	7,399	-	7,399
Interest payments	4,275	4,566	-	4,566
Capital outlay	<u>26,575</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Expenditures	 <u>55,584</u>	 <u>36,917</u>	 <u>\$ 117,027</u>	 <u>\$ (80,110)</u>
 Receipts over (under) expenditures	 13,648	 (8,197)		
 Unencumbered cash, beginning	 <u>101,670</u>	 <u>115,318</u>		
 Unencumbered cash, ending	 <u>\$ 115,318</u>	 <u>\$ 107,121</u>		

**CITY OF GORHAM, KANSAS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**Regulatory Basis**

**For the Year Ended December 31, 2012**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)**

**WATER FUND**

Schedule 2-6

		<u>2012</u>		
	2011	Actual	Budget	Variance Over (Under)
	<u>Actual</u>			
Cash Receipts				
Customer charges	\$ 106,370	\$ 104,920	\$ 110,000	\$ (5,080)
Total Cash Receipts	<u>106,370</u>	<u>104,920</u>	<u>\$ 110,000</u>	<u>\$ (5,080)</u>
Expenditures				
Operations	64,382	74,033	95,000	(20,967)
Personal services	13,868	11,799	35,000	(23,201)
Deposit refunds	48	2,970	4,382	(1,412)
Transfer to bond and interest fund	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>	<u>-</u>
Total Expenditures	<u>85,198</u>	<u>95,702</u>	<u>\$ 141,282</u>	<u>\$ (45,580)</u>
Receipts over (under) expenditures	21,172	9,218		
Unencumbered cash, beginning	<u>9,839</u>	<u>31,011</u>		
Unencumbered cash, ending	<u>\$ 31,011</u>	<u>\$ 40,229</u>		

**CITY OF GORHAM, KANSAS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**For the Year Ended December 31, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)**

**SOLID WASTE FUND**

**Schedule 2-7**

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash Receipts				
Customer charges	\$ 30,206	\$ 32,796	\$ 37,500	\$ (4,704)
<b>Total Cash Receipts</b>	<u>30,206</u>	<u>32,796</u>	<u>37,500</u>	<u>\$ (4,704)</u>
Expenditures				
Operations	<u>32,024</u>	<u>34,148</u>	<u>37,500</u>	(3,352)
<b>Total Expenditures</b>	<u>32,024</u>	<u>34,148</u>	<u>37,500</u>	<u>\$ (3,352)</u>
Receipts over (under) expenditures	(1,818)	(1,352)		
Unencumbered cash, beginning	<u>8,874</u>	<u>7,056</u>		
Unencumbered cash, ending	<u>\$ 7,056</u>	<u>\$ 5,704</u>		